

**ELLIOTT & ELLIOTT, P.A.**  
**ATTORNEYS AT LAW**  
721 OLIVE STREET  
COLUMBIA, SOUTH CAROLINA 29205  
[selliott@elliottlaw.us](mailto:selliott@elliottlaw.us)

SCOTT ELLIOTT

TELEPHONE (803) 771-0555  
FACSIMILE (803) 771-8010

August 12, 2009

**VIA E-FILING**

Charles L.A. Terreni, Esquire  
Chief Clerk of the Commission  
SC Public Service Commission  
P. O. Drawer 11649  
Columbia, SC 29211

RE: Application of Avondale Mills, Inc. for Approval of a New Schedule of  
Rates and Charges for Water and Sewerage Services Provided to Customers  
Docket No.: 2008-460-WS

Dear Mr. Terreni:

By directive dated August 5, 2009, the South Carolina Public Service Commission ("Commission") ordered Avondale Mills, Inc. ("Avondale") to provide the Commission and the Office of Regulatory Staff ("ORS") "with complete billing and consumption information for its customer accounts for the test year and the twelve months prior to the rate increase". For the reasons set out, Avondale respectfully objects to this Commission order.

As set out in its correspondence of August 6, 2009, Avondale submits the Commission lacks jurisdiction to order Avondale to provide the Commission and the ORS with these documents. No party to this docket appealed Commission Order No. 2009-394. The Commission's order is complete in all respects and final. Accordingly, the Commission lacks the jurisdiction subsequently to require Avondale to provide the information in Docket No. 2008-460-WS.

In addition, the General Assembly has granted the ORS authority for inspection, auditing and examination of public utilities. Specifically S.C. Code Ann. §58-3-60 directs that the Commission shall not inspect, audit or examine public utilities. Therefore, this Commission lacks authority to require Avondale to provide the information requested to the Commission or the ORS. While the Commission retains authority to require a public utility to provide regular reports to the Commission and the ORS, the information required of Avondale by the August 5, 2009, directive is in the nature of an inspection, audit or examination.

Avondale will agree independently of the Commission directive of August 5, 2009, to fully cooperate with the ORS. Indeed, most if not all of the information referenced in the August 5, 2009, directive was made available to the ORS during the ORS audit of Avondale's rate application. Those records support the fact that the rates granted Avondale by Order No. 2009-394 are in all respects fair, just and reasonable. Evidence of the extraordinary consumption of potable water for irrigation by Avondale's customers was readily apparent from the records previously provided the ORS. However, for the reasons set out, this Commission lacks the authority to require Avondale to provide the billing and consumption information to the Commission and the ORS.

As the Commission and all parties are aware, Avondale is currently in active negotiations with Valley Public Service Authority ("Valley") to sell its system to Valley. The uncertainty created by the Commission's directive of August 5, 2009, has created understandable difficulties for Avondale and Valley to carry on constructive negotiations towards the sale of this system.

Further uncertainty is created by the Commission order that Avondale suspend customer cutoffs or penalties due to a customer's failure to pay the most recent bill. Reserving all rights to object to the Commission's order, Avondale would request clarification as to whether Avondale has the authority to suspend service and charge applicable late fees and penalties, where appropriate, for all accounts delinquent prior Avondale's July billing.

As stated previously, the Commission failed to provide Avondale due process prior to issuing its August 5, 2009, directive. Moreover, the Commission lacks the jurisdiction or authority to require Avondale to provide the Commission with billing and consumption information and to suspend rates. Therefore, Avondale respectfully objects to the Commission's directive of August 5, 2009, requests that the directive be rescinded and that the rates granted in Order No. 2009-394 be restored.

Sincerely,

Elliott & Elliott, P.A.



Scott Elliott

SE/jcl

cc: Jeffrey M. Nelson, Esq.  
C. Dukes Scott, Esq.